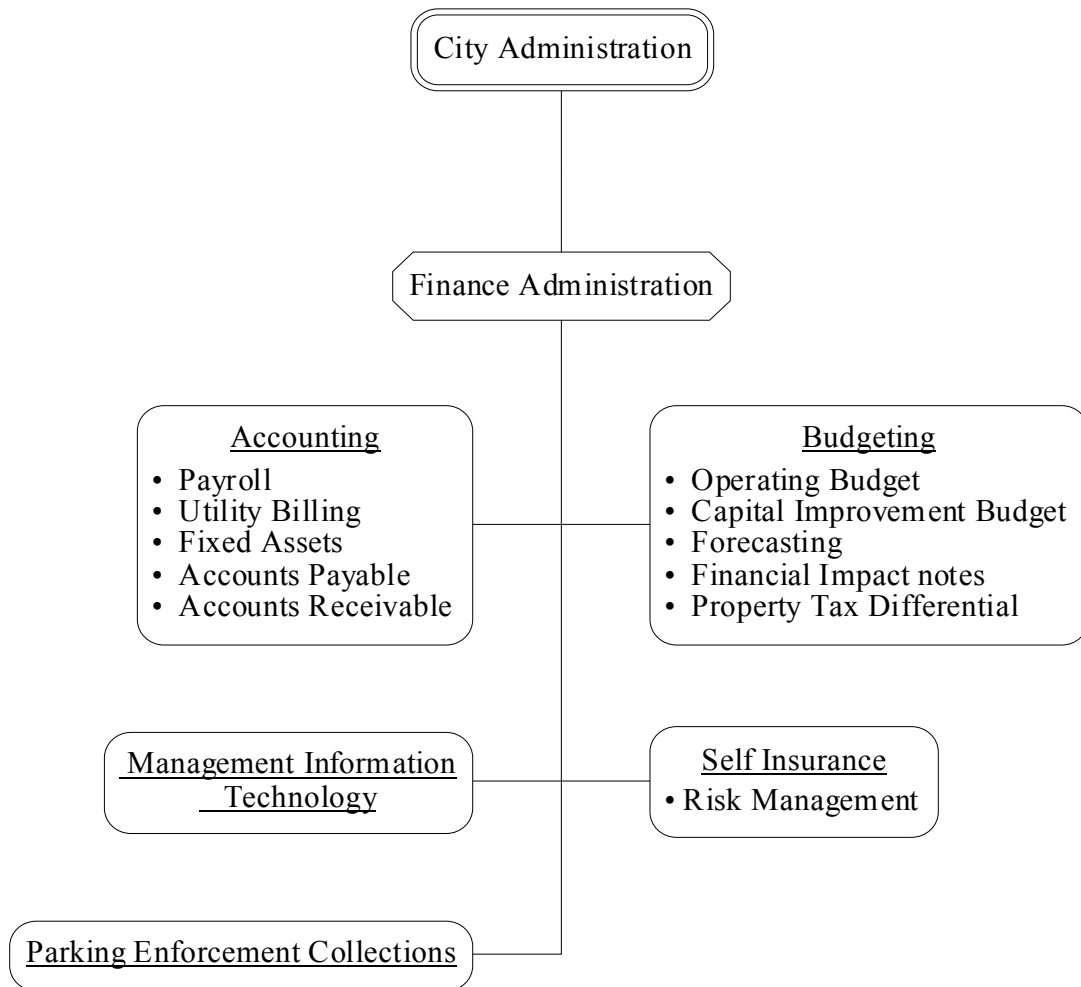


CITY OF ANNAPOLIS
Finance Department



Finance Department

Fund Support:

General Fund

Description:

The Finance Department is responsible for the systems and procedures that assure the sound and efficient functioning of the City's financial activities. The flow of financial activities begins with a plan (budget). The plan is then implemented and the transactions recorded (accounting); and finally, the results are reported (financial statements).

To make this process function smoothly, the Finance Department assists the Mayor in preparing an operating budget and a six-year capital improvements program (the first year of which is the capital budget) before the start of each new fiscal year. As each year unfolds, these budgets are carefully monitored for the extent to which actual financial transactions vary from the budget.

When the actual financial transactions occur, the Finance Department must see that all monies due the City are collected, and all City liabilities are paid on time. All cash received has to be either immediately disbursed, kept safely on hand, or invested. The Department routinely analyzes the flow of cash in and out of the City accounts for a number of purposes, not the least of which is to know the length of time a given amount of cash can be invested for short-term operating needs or for longer-term capital needs. When funds are needed that exceed the City's cash reserves, then the Department arranges to borrow them privately or

sells bonds in the open market.

The Finance Department also keeps an accurate record of all financial transactions, generates interim financial reports, and produces audited financial statements at the end of each fiscal year. More specifically, it prepares the City's payroll; it bills, collects, and accounts for City taxes, water and sewer fees, residential refuse fees and capital facilities assessments; and it maintains a file of the City government's fixed assets.

Additionally, the Finance Department analyzes non-routine financial situations, undertakes special financial projects and studies, and responds to requests for financial information from other governmental agencies and private enterprises. The Department also administers the City's self-insurance program, and maintains a computer installation that supports most of the functions mentioned above and provides, as well, computerized Management Information Technology services to other City departments.

Mission:

To maintain the City in a sound financial condition by managing its financial affairs comprehensively and prudently while providing operational support in delivering all required services to the citizens of Annapolis.

Goal:

- To continue to maintain the City in a sound financial condition by managing its financial affairs comprehensively and prudently.

<i>Budget Summary</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>	<i>Percent Change</i>
Accounting and Budgeting	\$1,251,270	\$1,360,410	\$1,496,740	10.02%
Management Information Technology	642,600	791,800	928,670	17.29%
Parking Enforcement Collections	339,060	317,930	0	-100.00%
Department Total	\$2,232,930	\$2,470,140	\$2,425,410	-1.81%

Finance Department Staffing Summary

	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
	<i>Permanent</i>	<i>Permanent</i>	<i>Permanent</i>
Accounting and Budgeting	19	19	19
Management Information Technology	5	5	5
Parking Enforcement Collections	3	3	0
Department Total	27	27	24

Staffing Summary By Position - FY 2006 Permanent Positions

	<u>Total FTE</u>		<u>Total FTE</u>
<i>Accounting and Budgeting:</i>		<i>Management Information Technology:</i>	
Finance Director	1	MIT Manager	1
Assistant Director for Accounting	1	MIT Analyst	1
Senior Accountant	2	MIT Specialist	1
Accountant	2	Web Developer	1
Administrative Office Associate	1	MIT Engineer	1
Accounting Associate III	5		
Accounting Associate II	3		
Accounting Associate I	3		
<i>Self Insurance:</i>			
Risk Manager	1		

The Management Information Technology Department has two temporary positions; a Student Intern position and a Technical Support position.

Accounting and Budgeting Division

Finance Department

General Fund

Description:

This division is responsible for preparing the City operating and capital budgets, monitoring departmental budgets, preparing tax, utility and other bills, paying all invoices, keeping all financial accounts, preparing the payroll, borrowing and investing funds, analyzing budgetary and financial accounts/situations, overseeing the City's internal financial controls, preparing budgetary and financial reports and studies, advising the Mayor and Aldermen regarding financial matters, and managing liability risks.

Services:

- Provides budgetary, accounting and financial support to the Mayor and Aldermen, City departments and committees.
- Assists customers with billing and other financial problems.
- Provides the public with budgetary and financial data.
- Acts as staff for the Finance Committee and the Police and Fire Retirement Plan Commission.
- Responds to requests from non-City persons, agencies and organizations for budgetary, accounting and financial data.

Goals:

- To make accurate projections of the approved operating budget.
- To guide the approved operating budget to a

combined surplus condition at year-end.

- To continue to receive the GFOA Distinguished Budget Presentation Award for Budget documents.
- To monitor financial accounts and assist other departments in providing efficient, cost effective services.
- To continue to receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- To strengthen internal financial controls in other departments.
- To provide the data needed for the Mayor and Aldermen to effectively review the prepared operating budget.
- To maintain the level of claims through risk prevention that would allow the Self Insurance Fund to exist without further contributions.

Accomplishments:

- Earned the Certificate of Achievement for Excellence in Financial Reporting for fiscal years 1988 through 2002 (2003 is still under review).
- Earned the GFOA Distinguished Budget Presentation Award for fiscal years FY 1997 through FY 2004.
- Achieved current Bond ratings of Aa2 with Moody's, AA with Standard and Poor's, and AA+ with Fitch.

Accounting and Budgeting Division

- continued -

<i>Budget Summary</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>	<i>Percent Change</i>
Personnel	\$1,068,770	\$1,157,360	\$1,151,690	-0.49%
Other Operating Expenditures	182,500	203,050	345,050	69.93%
Capital Outlay	0	0	0	N/A
Total Expenditures	\$1,251,270	\$1,360,410	\$1,496,740	10.02%

BUDGET REQUEST - OPERATING EXPENDITURES

Description of Expenditures in Operating Expense Accounts

Department/Division FinanceFund and Division # 110-41512

1	2	
Account Title/Number	Total in Account	Description of Expenditures
Salaries	\$864,950	Appropriation needed as calculated on personnel detail.
Benefits	\$286,740	Retirement and Insurance benefits provided and calculated on personnel detail.
Supplies	\$44,470	Postage, Checks, Copier costs, Laser printing supplies, Envelopes, Printing budgets & CAFR, Advertising & legal ads, Cash register & calculator paper, computer paper, Office supplies (pens, pencils, binders, folders, sundry office supplies) & equipment (not considered capital outlay)
Utilities	\$0	Utilities included under General Government Buildings
Education and Travel	\$5,320	Attendance at MPFOA, MACPA & GFOA meetings for continuing professional requirements, Computer software training, On site hands on training, Professional association dues, GAFFR subscription & updates, Professional publications (Wall Street Journal), Mileage allowance for POV travel in the local area not related to training
Repair and Maintenance	\$5,700	Annual mailing contracts for office equipment (mailing system, typewriters & calculators, folder/inserters, check signer, shredder, etc), Alarm system, Parts & non-contract repairs of personal computers and other equipment
Special Projects	\$0	
Leases	\$0	
Contract Services	\$289,560	Grant writing & research assistance, Annual audit costs, Internal control audits, Miscellaneous add-on costs for extra work required during the audits, bank and bond processing fees, MML dues, and other miscellaneous government payments.
Capital Outlay	\$0	

Total

\$1,496,740

Management Information Technology

Finance Department

General Fund

Description:

Maintains a central processing computer installation to support the many functions of the Finance Department. Provides Management Information Technology services to all City Departments; these services include networks and microcomputers, software upgrades, and training.

Services:

- Maintains central processing and network hardware, security, operating systems and data communications systems.
- Maintains, enhances and develops many financial integrated computer system applications using the central processing computer.
- Provides Internet and E-Mail services.
- Provides Management Information Technology and local and wide area network services to all City departments.
- Provides for training for various micro-computer applications.
- Provides for microcomputer hardware and software specifications.
- Provides centralized microcomputer hardware and software upgrades, troubleshooting and repair.

Goals:

- Provide a secure information system.

- To maintain central processing and network availability at 98%.
- Assess City information management needs and determine the best means of utilizing automated technology to address those needs.
- Ensure that the City's automated systems are being used to their full potential.

Objectives:

- Complete implementation of Comprehensive Municipal Application Project (CMAP).
- Negotiate and implement high-speed, broadband Institutional Network (I-Net) for voice and data communications in Comcast franchise agreement.
- Upgrade local area network (LAN) in City Hall and Planning and Zoning for new telephone system and voice mail.
- Implement the first year of the central Geographic Information System (GIS) plan with coordinator and consultant.
- Consolidate all electronic use policies into one policy.

Accomplishments:

- Started implementation of Comprehensive Municipal Application Project (CMAP). This is one of the core fundamental infrastructure mainstays of the five year IT Strategic Plan.
- Upgraded e-mail virus and SPAM functions.

Management Information Technology

- continued -

<i>Budget Summary</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>	<i>Percent Change</i>
Personnel	\$411,820	\$459,000	\$595,870	29.82%
Other Operating Expenditures	230,780	332,800	332,800	0.00%
Total Expenditures	\$642,600	\$791,800	\$928,670	17.29%

BUDGET REQUEST - OPERATING EXPENDITURES

Description of Expenditures in Operating Expense Accounts for FY 2005

Department/Division Finance/Management Information Fund and Division # 110-41514

1	2	
Account Title/Number	Total in Account	Description of Expenditures
Salaries	\$494,640	Appropriation needed as calculated on personnel detail.
Benefits	\$101,230	Retirement and Insurance benefits provided and calculated on personnel detail.
Supplies	\$8,620	Laser printer supplies, Network supplies, Paper, Magnetic tapes, Office supplies
Utilities	\$0	Utilities accounted for under General Government Buildings
Education and Travel	\$4,970	Off site education & training, Attendance at annual ADMINS users conference, Self instruction courses, Computer based training, Periodicals, Milage allowance
Repair and Maintenance	\$81,300	Software maintenance, Hardware maintenance, Other miscellaneous items
Special Projects	\$0	
Leases	\$0	
Contract Services	\$237,910	Micro-computer training contract, Network engineering services, Voice mail, E-Mail, Digital Equipment Corp. disaster site services & disaster insurance, Internet, Hardware & software - other departments
Capital Outlay	\$0	

Total \$928,670